

SENATE BILL No. 315

DIGEST OF INTRODUCED BILL

Citations Affected: IC 20-1; IC 20-8.1-6.1-8; IC 20-10.1-22.3; IC 20-12-22.3; IC 21-3-1.7.

Synopsis: International Baccalaureate program. Recognizes by statute the high school International Baccalaureate (IB) diploma program that is currently available as an option in some schools. Requires a school to report the IB accomplishment of its students to the department of education (department) for certain purposes. Requires the department to pay student fees for IB examinations and to encourage participation in the IB program. Establishes the IB diploma higher education loan program for Indiana residents who receive an IB diploma from high school, maintain residency in Indiana, and attend an Indiana institution of higher learning. Provides eligible students with a loan in an amount equal to the undergraduate tuition at the student's institution, subject to
(Continued next page)

Effective: July 1, 1999.

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January 7, 1999, read first time and referred to Committee on Education.



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Digest Continued

the availability of funding and less other money awarded to the student. Provides for forgiveness of the loan if the student graduates from the Indiana institution, remains an Indiana resident for four consecutive years after graduation, and is employed in Indiana for at least 42 months of the four consecutive years following graduation. Provides for administration of the loan program by the state student assistance commission. Provides an IB diploma award of \$800 per issued diploma.

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Introduced

First Regular Session 111th General Assembly (1999)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 1998 General Assembly.

SENATE BILL No. 315

A BILL FOR AN ACT to amend the Indiana Code concerning education.

Be it enacted by the General Assembly of the State of Indiana:

- 1 SECTION 1. IC 20-1-1.2-6 IS AMENDED TO READ AS
- 2 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 6. (a) Each school shall
- 3 submit to the department the following benchmarks:
- 4 (1) Graduation rate.
- 5 (2) Attendance rate.
- 6 (3) ISTEP scores, or, for a freeway school, scores on a locally
- 7 adopted assessment program, if appropriate, including the number
- 8 and percentage of students:
- 9 (A) meeting an advanced standard; or
- 10 (B) meeting a proficient standard.
- 11 (4) Actual class size.
- 12 (5) The number and percentage of students in the following
- 13 groups or programs:
- 14 (A) At risk.
- 15 (B) Vocational education.



- 1 (C) Special education.
- 2 (D) Gifted or talented.
- 3 (E) Remediation/preventative remediation.
- 4 (F) Technology preparation.
- 5 (6) Advanced placement, including the following:
- 6 (A) For advanced placement tests, the number and percentage
- 7 of students:
- 8 (i) scoring three (3), four (4), and (5); or
- 9 (ii) participating.
- 10 (B) For the Scholastic Aptitude Test, the number and
- 11 percentage of students:
- 12 (i) above a designated proficient score;
- 13 (ii) above a designated advanced score; or
- 14 (iii) participating.
- 15 **(C) For International Baccalaureate examinations, the**
- 16 **number and percentage of students:**
- 17 **(i) participating; and**
- 18 **(ii) scoring at each grade level of the grading scheme.**
- 19 (7) Course completion, including the number and percentage of
- 20 students completing the following programs:
- 21 (A) Academic honors diploma.
- 22 (B) Core 40 curriculum.
- 23 (C) Vocational programs.
- 24 **(D) International Baccalaureate diploma.**
- 25 (8) The percentage of graduates who pursue higher education.
- 26 (9) School safety, including the number and percentage of
- 27 students receiving suspension or expulsion for the possession of
- 28 alcohol, drugs, or weapons.
- 29 (10) Financial information relevant to performance.
- 30 (b) The superintendent and board shall determine which
- 31 benchmarks under subsection (a) are appropriate benchmarks for
- 32 performance based accreditation under IC 20-1-1.3-3.
- 33 SECTION 2. IC 20-1-1.3-3 IS AMENDED TO READ AS
- 34 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 3. The board shall
- 35 implement the performance-based award and incentive program to
- 36 recognize and reward schools that have exhibited relative improvement
- 37 toward the performance benchmarks determined to be appropriate for
- 38 the school by the superintendent and board, including the following
- 39 benchmarks:
- 40 (1) Graduation rate.
- 41 (2) Attendance rate.
- 42 (3) ISTEP scores under the ISTEP program or a locally adopted



assessment program used by a freeway school, including the number and percentage of students:

- (A) meeting an advanced standard; or
- (B) meeting a proficient standard.

(4) Actual class size.

(5) The number and percentage of students in the following groups or programs:

- (A) At risk.
- (B) Vocational education.
- (C) Special education.
- (D) Gifted or talented.
- (E) Remediation/preventative remediation.
- (F) Technology preparation.

(6) Advanced placement, including the following:

(A) For advanced placement tests, the number and percentage of students:

- (i) scoring three (3), four (4), and **five** (5); or
- (ii) participating.

(B) For the Scholastic Aptitude Test, the number and percentage of students:

- (i) above a designated proficient score;
- (ii) above a designated advanced score; or
- (iii) participating.

(C) For International Baccalaureate examinations, the number and percentage of students:

- (i) participating; and**
- (ii) scoring at each grade level of the grading scheme.**

(7) Course completion, including the number and percentage of students completing the following programs:

- (A) Academic honors diploma.
- (B) Core 40 curriculum.
- (C) Vocational programs.

(D) International Baccalaureate diploma.

(8) The percentage of graduates who pursue higher education.

(9) School safety, including the number and percentage of students receiving suspension or expulsion for the possession of alcohol, drugs, or weapons.

(10) Financial information relevant to performance.

SECTION 3. IC 20-1-21-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 9. The report must include the following benchmarks:

- (1) Graduation rate.



- (2) Attendance rate.
- (3) ISTEP test scores, or for a freeway school scores on a locally adopted assessment program, if appropriate, including the number and percentage of students:
 - (A) meeting an advanced standard; or
 - (B) meeting a proficient standard.
- (4) Actual class size.
- (5) The number and percentage of students in the following groups or programs:
 - (A) At risk.
 - (B) Vocational education.
 - (C) Special education.
 - (D) Gifted or talented.
 - (E) Remediation/preventative remediation.
- (6) Advanced placement, including the following:
 - (A) For advanced placement tests, the number and percentage of students:
 - (i) scoring three (3), four (4), and (5); or
 - (ii) participating.
 - (B) For the Scholastic Aptitude Test, the number and percentage of students:
 - (i) above a designated proficient score;
 - (ii) above a designated advanced score; or
 - (iii) participating.
 - (C) For the International Baccalaureate examinations, the number and percentage of students:**
 - (i) participating; and**
 - (ii) scoring at each grade level of the grading scheme.**
- (7) Course completion, including the number and percentage of students completing the following programs:
 - (A) Academic honors diploma.
 - (B) Core 40 curriculum.
 - (C) Vocational programs.
 - (D) International Baccalaureate diploma.**
- (8) The percentage of graduates who pursue higher education.
- (9) School safety, including the number and percentage of students receiving suspension or expulsion for the possession of alcohol, drugs, or weapons.
- (10) Financial information relevant to performance.

SECTION 4. IC 20-8.1-6.1-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 8. (a) As used in this section, the following terms have the following meanings:



(1) "Class of school" refers to a classification of each school or program in the transferee corporation by the grades or special programs taught at the school. Generally, these classifications are denominated as kindergarten, elementary school, middle school or junior high school, high school, and special schools or classes, such as schools or classes for special education, vocational training, or career education.

(2) "ADM" means the following:

(A) For purposes of allocating to a transfer student state distributions under IC 21-1-30 (primetime), "ADM" as computed under IC 21-1-30-2.

(B) For all other purposes, "ADM" as set forth in IC 21-3-1.6-1.1.

(3) "Pupil enrollment" means the following:

(A) The total number of students in kindergarten through grade 12 who are enrolled in a transferee school corporation on a date determined by the Indiana state board of education.

(B) The total number of students enrolled in a class of school in a transferee school corporation on a date determined by the Indiana state board of education.

However, a kindergarten student shall be counted under clauses (A) and (B) as one-half (1/2) a student.

(4) "Special equipment" means equipment that during a school year:

(A) is used only when a child with disabilities is attending school;

(B) is not used to transport a child to or from a place where the child is attending school;

(C) is necessary for the education of each child with disabilities that uses the equipment, as determined under the individualized instruction program for the child; and

(D) is not used for or by any child who is not a child with disabilities.

The Indiana state board of education may select a different date for counts under subdivision (3). However, the same date shall be used for all school corporations making a count for the same class of school.

(b) Each transferee corporation is entitled to receive for each school year on account of each transferred student, except a student transferred under section 3 of this chapter, transfer tuition from the transferor corporation or the state as provided in this chapter. Transfer tuition equals the amount determined under STEP THREE of the following formula:



STEP ONE: Allocate to each transfer student the capital expenditures for any special equipment used by the transfer student and a proportionate share of the operating costs incurred by the transferee school for the class of school where the transfer student is enrolled.

STEP TWO: If the transferee school included the transfer student in the transferee school's ADM for a school year, allocate to the transfer student a proportionate share of the following general fund revenues of the transferee school for, except as provided in clause (C), the calendar year in which the school year ends:

(A) The following state distributions that are computed in any part using ADM or other pupil count in which the student is included:

- (i) Primetime grant under IC 21-1-30.
- (ii) Tuition support for basic programs and at-risk weights under IC 21-3-1.7-8 (before January 1, 1996) and only for basic programs (after December 31, 1995).
- (iii) Enrollment growth grant under IC 21-3-1.7-9.5.
- (iv) At-risk grant under IC 21-3-1.7-9.7.
- (v) Academic honors diploma award **and International Baccalaureate diploma award** under IC 21-3-1.7-9.8.
- (vi) Vocational education grant under IC 21-3-1.8-3.
- (vii) Special education grant under IC 21-3-1.8 (repealed January 1, 1996) or IC 21-3-10.
- (viii) The portion of the ADA flat grant that is available for the payment of general operating expenses under IC 21-3-4.5-2(b)(1).

(B) For school years beginning after June 30, 1997, property tax levies.

(C) For school years beginning after June 30, 1997, excise tax revenue (as defined in IC 21-3-1.7-2) received for deposit in the calendar year in which the school year begins.

(D) For school years beginning after June 30, 1997, allocations to the transferee school under IC 6-3.5.

STEP THREE: Determine the greater of:

- (A) zero (0); or
- (B) the result of subtracting the STEP TWO amount from the STEP ONE amount.

If a child is placed in an institution or facility in Indiana under a court order, the institution or facility shall charge the county office of the county of the student's legal settlement under IC 12-19-7 for the use of the space within the institution or facility (commonly called capital



costs) that is used to provide educational services to the child based upon a prorated per student cost.

(c) Operating costs shall be determined for each class of school where a transfer student is enrolled. The operating cost for each class of school is based on the total expenditures of the transferee corporation for the class of school from its general fund expenditures as specified in the classified budget forms prescribed by the state board of accounts. This calculation excludes:

- (1) capital outlay;
- (2) debt service;
- (3) costs of transportation;
- (4) salaries of board members;
- (5) contracted service for legal expenses; and
- (6) any expenditure which is made out of the general fund from extracurricular account receipts;

for the school year.

(d) The capital cost of special equipment for a school year is equal to:

- (1) the cost of the special equipment; divided by
- (2) the product of:
 - (A) the useful life of the special equipment, as determined under the rules adopted by the Indiana state board of education; multiplied by
 - (B) the number of students using the special equipment during at least part of the school year.

(e) When an item of expense or cost described in subsection (c) cannot be allocated to a class of school, it shall be prorated to all classes of schools on the basis of the pupil enrollment of each class in the transferee corporation compared to the total pupil enrollment in the school corporation.

(f) Operating costs shall be allocated to a transfer student for each school year by dividing:

- (1) the transferee school corporation's operating costs for the class of school in which the transfer student is enrolled; by
- (2) the pupil enrollment of the class of school in which the transfer student is enrolled.

When a transferred student is enrolled in a transferee corporation for less than the full school year of pupil attendance, the transfer tuition shall be calculated by the portion of the school year for which the transferred student is enrolled. A school year of pupil attendance consists of the number of days school is in session for pupil attendance. A student, regardless of the student's attendance, is enrolled in a



transferee school unless the student is no longer entitled to be transferred because of a change of residence, the student has been excluded or expelled from school for the balance of the school year or for an indefinite period, or the student has been confirmed to have withdrawn from school. The transferor and the transferee corporation may enter into written agreements concerning the amount of transfer tuition due in any school year. Where an agreement cannot be reached, the amount shall be determined by the Indiana state board of education, and costs may be established, when in dispute, by the state board of accounts.

(g) A transferee school shall allocate revenues described in subsection (b) STEP TWO to a transfer student by dividing:

- (1) the total amount of revenues received; by
- (2) the ADM of the transferee school for the school year that ends in the calendar year in which the revenues are received.

However, for state distributions under IC 21-1-30, IC 21-3-10, or any other statute that computes the amount of a state distribution using less than the total ADM of the transferee school, the transferee school shall allocate the revenues to the transfer student by dividing the revenues that the transferee school is eligible to receive in a calendar year by the pupil count used to compute the state distribution.

(h) In lieu of the payments provided in subsection (b), the transferor corporation or state owing transfer tuition may enter into a long term contract with the transferee corporation governing the transfer of students. This contract is for a maximum period of five (5) years with an option to renew, and may specify a maximum number of pupils to be transferred and fix a method for determining the amount of transfer tuition and the time of payment, which may be different from that provided in section 9 of this chapter.

(i) If the school corporation can meet the requirements of IC 21-1-30-5, it may negotiate transfer tuition agreements with a neighboring school corporation that can accommodate additional students. Agreements under this section may be for one (1) year or longer and may fix a method for determining the amount of transfer tuition or time of payment that is different from the method, amount, or time of payment that is provided in this section or section 9 of this chapter. A school corporation may not transfer a student under this section without the prior approval of the child's parent or guardian.

(j) If a school corporation experiences a net financial impact with regard to transfer tuition that is negative for a particular school year as described in IC 6-1.1-19-5.1, the school corporation may appeal for an excessive levy as provided under IC 6-1.1-19-5.1.



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SECTION 5. IC 20-10.1-22.3 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 1999]:

Chapter 22.3. International Baccalaureate Diploma

Sec. 1. As used in this chapter, "International Baccalaureate examination" refers to an examination for a certificate or a diploma from the International Baccalaureate Organisation.

Sec. 2. As used in this chapter, "program" refers to the International Baccalaureate program established by the International Baccalaureate Organisation.

Sec. 3. The department shall do the following:

- (1) Administer this chapter.
- (2) Encourage school corporations to offer the International Baccalaureate program to students enrolled in the school corporation.
- (3) Encourage students to participate in the International Baccalaureate program.
- (4) To the extent that funds are appropriated for this purpose, pay the fees for each International Baccalaureate examination that is taken by a student who is:
 - (A) enrolled in a public secondary school; and
 - (B) a resident of Indiana.
- (5) Prepare an annual report concerning the implementation of this chapter and submit this report to the board before December 1 of each year. The report must include the following:
 - (A) The number of students participating in the program.
 - (B) Recent trends in the program.
 - (C) The distribution of money under this chapter.
 - (D) Other pertinent matters.
- (6) Establish guidelines concerning the distribution of funds under this chapter. In establishing the distribution guidelines, the department shall consider the following factors:
 - (A) The number of students participating in the program.
 - (B) Financial need of students participating in the program.
 - (C) Other factors that have an impact on the distribution of money under this chapter.
- (7) Adopt rules under IC 4-22-2 to implement this chapter.

SECTION 6. IC 20-12-22.3 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 1999]:



Chapter 22.3. International Baccalaureate Diploma Higher Education Loans

Sec. 1. As used in this chapter, "academic year" has the meaning set forth in IC 20-12-21-3(1).

Sec. 2. As used in this chapter, "approved institution of higher learning" has the meaning set forth in IC 20-12-21-3(2) and includes the following:

(A) An institution that offers a nursing diploma program that is accredited by the Indiana state board of nursing and operated by a hospital.

(B) Ivy Tech State College when it offers a technical certificate or associate degree program.

Sec. 3. As used in this chapter, "commission" refers to the state student assistance commission established by IC 20-12-21-4.

Sec. 4. As used in this chapter, "International Baccalaureate diploma" means a diploma issued by the International Baccalaureate Organisation.

Sec. 5. As used in this chapter, "loan" refers to an International Baccalaureate diploma higher education loan under this chapter.

Sec. 6. The International Baccalaureate diploma higher education loan program is established to provide loans for undergraduate higher education in Indiana for Indiana residents who receive International Baccalaureate diplomas.

Sec. 7. (a) The commission shall administer this chapter. The powers of the commission under IC 20-12-21 apply to the administration of this chapter, including the power to deny awards under IC 20-12-21-7.6.

(b) The commission may adopt rules under IC 4-22-2 to implement this chapter.

Sec. 8. Subject to available funds appropriated for the purpose of loans under this chapter, the commission shall issue an initial loan to each qualified applicant for a loan.

Sec. 9. An applicant qualifies for an initial loan by meeting the following requirements:

(1) The applicant is a resident of Indiana, as defined by the commission.

(2) The applicant:

(A) is a graduate from an Indiana public or accredited nonpublic high school; or

(B) is a student in good standing in an Indiana public or accredited nonpublic high school and will graduate by the end of the academic year in which the application is



submitted.

(3) The applicant:

(A) holds an International Baccalaureate diploma; or

(B) is a student in good standing who is enrolled in a program that will:

(i) be completed by the end of the academic year in which the student is enrolled; and

(ii) result in the applicant receiving an International Baccalaureate diploma.

(4) The applicant will use the loan to attend an undergraduate program in an approved institution of higher learning in Indiana.

Sec. 10. (a) Subject to the availability of funds appropriated for the purpose of loans under this chapter, the amount of an initial or renewal loan is the cost of undergraduate tuition at the approved institution of higher learning of the qualifying student's choice, less any money awarded to the student for the following:

(1) A higher education award under IC 20-12-21.

(2) A freedom of choice grant established by IC 20-12-21-15.

(3) A hoosier scholar award established by IC 20-12-21-20.

(4) A minority or special education teacher scholarship under IC 20-12-21.7.

(5) A nursing scholarship under IC 20-12-21.9.

(b) If money is not available to provide the full loan as established under subsection (a), the commission shall reduce the loan to an amount that may be paid with available money.

Sec. 11. (a) A person who qualifies for a loan is entitled to a loan for the equivalent of a total of eight (8) semesters or twelve (12) quarters of postsecondary school undergraduate education. However, eligibility does not extend more than ten (10) years after the beginning of the academic year for which an initial loan is granted.

(b) To maintain eligibility a loan recipient is not required to:

(1) attend an institution of higher learning; or

(2) receive a loan;

in consecutive semesters or quarters or on a full-time basis.

(c) A loan may be renewed only upon application and only upon the commission finding the following:

(1) That the applicant meets the requirements of section 9 of this chapter.

(2) That the applicant has successfully completed an academic year at an approved institution of higher learning in Indiana



during which the applicant maintained a:

(A) passing grade point average in the applicant's first academic year; or

(B) "C" grade point average or the equivalent in each year after the applicant's first academic year.

(3) That the applicant is in compliance with subsections (a) and (b).

Sec. 12. Subject to the following, the commission shall establish the terms and conditions of loans under this chapter:

(1) The interest rate may not exceed the annual rate of simple interest prescribed for state student loan programs by federal law.

(2) A loan recipient who:

(A) graduates from an approved institution of higher learning in Indiana;

(B) is a resident of Indiana for four (4) consecutive years following graduation from the approved institution of higher learning in Indiana; and

(C) is employed in Indiana for at least forty-two (42) months of the four consecutive years following graduation from the approved institution of higher learning in Indiana;

is not required to repay a loan received under this chapter.

SECTION 7. IC 21-3-1.7-3.1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 3.1. (a) As used in this chapter, "previous year revenue" for calculations with respect to a school corporation equals:

(1) the school corporation's tuition support for regular programs, including basic tuition support, and excluding:

(A) special education grants;

(B) vocational education grants;

(C) at-risk programs;

(D) the enrollment adjustment grant; and

(E) for 1999 and thereafter, the academic honors diploma award **and the International Baccalaureate diploma award;**

for the year that precedes the current year; plus

(2) the school corporation's tuition support levy for the year that precedes the current year before the reductions required under section 5(1), 5(2), and 5(3) of this chapter; plus

(3) the school corporation's excise tax revenue for the year that precedes the current year by two (2) years; minus



(4) an amount equal to the reduction in the school corporation's tuition support under subsection (b) or IC 20-10.1-2-1, or both.

(b) A school corporation's previous year revenue shall be reduced if:

(1) the school corporation's state tuition support for special or vocational education was reduced as a result of a complaint being filed with the department of education after December 31, 1988, because the school program overstated the number of children enrolled in special or vocational education programs; and

(2) the school corporation's previous year revenue has not been reduced under this subsection more than one (1) time because of a given overstatement.

The amount of the reduction equals the amount the school corporation would have received in tuition support for special and vocational education because of the overstatement.

SECTION 8. IC 21-3-1.7-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 9. (a) Subject to the amount appropriated by the general assembly for tuition support, the amount that a school corporation is entitled to receive in tuition support for a year is the amount determined in section 8 of this chapter.

(b) If the total amount to be distributed as tuition support under this chapter, for enrollment adjustment grants under section 9.5 of this chapter, for at-risk programs under section 9.7 of this chapter, for academic honors diploma awards, **and International Baccalaureate diploma awards** under section 9.8 of this chapter, and as special and vocational education grants under IC 21-3-1.8-3 or IC 21-3-10 for a particular year, exceeds:

(1) two billion six hundred fourteen million eight hundred thousand dollars (\$2,614,800,000) for 1997;

(2) two billion seven hundred seventy-one million six hundred thousand dollars (\$2,771,600,000) in 1998; and

(3) two billion nine hundred thirty-nine million two hundred thousand dollars (\$2,939,200,000) in 1999;

the amount to be distributed for tuition support under this chapter to each school corporation during each of the last six (6) months of the year shall be reduced by the same dollar amount per ADM (as adjusted by IC 21-3-1.6-1.1) so that the total reductions equal the amount of the excess.

SECTION 9. IC 21-3-1.7-9.8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 9.8. (a) In addition to the distributions under sections 8, 9.5, and 9.7 of this chapter, a school corporation is eligible for ~~an honors diploma award~~ **awards** in the



amount determined under STEP ~~TWO~~ **FOUR** of the following formula:

STEP ONE: Determine the number of the school corporation's eligible pupils who successfully completed an academic honors diploma program in the school year ending in the previous calendar year.

STEP TWO: **Determine the number of the school corporation's eligible pupils who successfully completed an International Baccalaureate diploma program in the school year ending in the previous calendar year.**

STEP THREE: Add the results of STEP ONE and STEP TWO.

STEP FOUR: Multiply the STEP ~~ONE~~ **THREE** amount by eight hundred dollars (\$800).

(b) Each year the governing body of a school corporation may use the money that the school corporation receives for ~~an honors diploma award~~ **awards** under this section to give eight hundred dollars (\$800) **per diploma** to each eligible pupil in the school corporation who successfully completes:

(1) an academic honors diploma program; **or**

(2) **an International Baccalaureate diploma program;**
in the school year ending in the previous calendar year.

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